

SET

A

**INDIAN SCHOOL MUSCAT  
HALF YEARLY EXAMINATION 2022  
ACCOUNTANCY (055)**

CLASS: XI

Max.Marks: 80

**MARKING SCHEME**

QN. NO	VALUE POINTS	MARKS SPLIT UP
1.	(c) Assertion (A) is false, but Reason (R) is true	1
2.	(c) Creditworthiness of the business OR (c) Materiality	1
3.	(d) Accounting Period Principle OR (d) Only (ii) and (iii)	1
4.	(c) Proprietor withdrew ₹12,000 from his personal account to pay the school fees of his son OR (c) Items purchased for resale	1
5.	(d) Decrease in one asset, increase in another asset	1
6.	(b) ₹ 1,00,000	1
7.	(c) (i), (ii), (iii) and (iv)	1
8.	(d) Commission (Received) OR (c) Liability Account	1
9.	(b) ₹ 40,000 OR (a) Rebate Allowed A/c Dr. To Purchaser A/c	1
10.	(d) ₹ 8,000 on Cr. side	1
11.	(d) Debtor, Creditor	1
12.	(a) Dr. side of Discount A/c	1
13.	(d) It records both cash and credit transactions. OR (b) Debit of Cash column and Credit of Bank column	1

14.	(d) ₹ 4,450	1												
15.	(c) Cash Book	1												
16.	(a) ₹ 25,632	1												
17.	(b) Input CGST Account and Input SGST Account OR (a) It is a destination based tax	1												
18.	(b) ₹ 18,000, ₹ 7,000	1												
19.	(a) Prepaid Insurance Premium	1												
20.	(a) Drawings A/c Dr. 10,000 To Purchases A/c 10,000	1												
21.	<p>Explain the following:</p> <p>(i) Business Entity Concept - According to the Business Entity Principle, business is considered to be separate and distinct from its owners.</p> <p>(ii) Matching Concept - According to the Matching Concept, cost incurred to earn revenue is recognized as expense in the period when related revenue is recognized as earned.</p> <p>(iii) Dual Aspect Concept - According to the Dual Aspect Concept, every transaction entered into by an enterprise has two aspects, a debit and a credit of equal amount.</p> <p style="text-align: center;">OR</p> <p>Explain the following:</p> <p>(i) Money Measurement Concept - According to the Money Measurement principle, transactions and events that can be measured in money terms are recorded in the books of accounts of the enterprise.</p> <p>(ii) Going Concern Concept - According to the Going Concern Concept it is assumed that business shall continue for a foreseeable period and there is no intention to close the business or scale down its operations significantly.</p> <p>(iii) Prudence Concept - The Prudence Principle is many a times described using the phrase "Do not anticipate a profit, but provide for all possible losses."</p> <p>(1 mark * 3 = 3 marks)</p>	3												
22.	<p>(a) Amount of capital invested in the business by Raj - ₹ 15,00,000 + ₹ 5,00,000 = 20,00,000 (½ mark)</p> <p>(b) Drawings – Amount withdrawn for personal use; ₹ 30,000 (½ mark + ½ mark)</p> <p>(c) What is the amount invested by Raj in fixed assets - ₹ 2,00,000 + ₹ 35,000 = ₹ 2,35,000 (½ mark)</p> <p>(d) 'Purchases' – Buying of goods or raw materials for manufacture of goods. (1 mark)</p> <p style="text-align: center;">OR</p> <p>(i) Differences between Non-Current Assets and Current Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Basis</th> <th style="width: 40%;">Non-Current Assets</th> <th style="width: 40%;">Current Assets</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>Assets owned by the entity not meant for resale</td> <td>Assets held for resale or conversion into cash</td> </tr> </tbody> </table> <p>(ii) Differences between Non-Current Liabilities and Current Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Basis</th> <th style="width: 40%;">Non-Current Liabilities</th> <th style="width: 40%;">Current Assets Liabilities</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Basis	Non-Current Assets	Current Assets	Meaning	Assets owned by the entity not meant for resale	Assets held for resale or conversion into cash	Basis	Non-Current Liabilities	Current Assets Liabilities				3
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24.	<p>Closing Capital = Closing Assets – Closing External Liabilities  = ₹ 1,00,000 - ₹ 3,000  = ₹ 97,000</p> <p>Opening Capital = Closing Capital + Drawings – Additional Capital – Profits  = ₹ 97,000 + ₹ 6,000 - ₹ 10,000 - ₹ 10,000 = ₹ 83,000</p>				3 (1m + 1m) + (0.5 * 2 for formulae)																																																							
25.	<p style="text-align: center;">Journal</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F</th> <th>Dr. ₹</th> <th>Cr. ₹</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Abhay Dr. Bank A/c Dr. Discount Allowed A/c Dr.     To Sales A/c     To Output IGST A/c (Being goods sold)</td> <td></td> <td>1,06,200 1,04,076 1,800</td> <td>1,80,000 32,076</td> </tr> <tr> <td>(ii)</td> <td>Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr.     To Bank A/c     To Discount Received A/c (Being goods purchased)</td> <td></td> <td>90,000 7,938 7,938</td> <td>1,04,076 1,800</td> </tr> </tbody> </table>				Date	Particulars	L.F	Dr. ₹	Cr. ₹	(i)	Abhay Dr. Bank A/c Dr. Discount Allowed A/c Dr. To Sales A/c To Output IGST A/c (Being goods sold)		1,06,200 1,04,076 1,800	1,80,000 32,076	(ii)	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c To Discount Received A/c (Being goods purchased)		90,000 7,938 7,938	1,04,076 1,800	3																																								
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26.	Sl. No.	Types of Accounts	Classification		3																																																							
	(i)	Drawings	Personal		(0.5 m * 6 = 3 m)																																																							
	(ii)	Discount Received	Nominal																																																									
	(iii)	Leasehold Property	Real																																																									
	(iv)	Goodwill	Real																																																									
	(v)	Bad Debts Recovered	Nominal																																																									
	(vi)	Outstanding Salaries	Personal																																																									
27.	<p>Advantages of Accounting</p> <p>(i) Financial Information about Business  (ii) Assistance to Management  (iii) Replaces Memory  (iv) Facilitates Comparative Studies  (v) Facilitates Settlement of Tax Liabilities  (Explain the four points)</p> <p style="text-align: center;">OR</p> <p>Limitations of Accounting</p> <p>(i) Accounting is not Fully Exact  (ii) Unrealistic Information  (iii) Accounting Ignores the Qualitative Elements</p>				4																																																							

(iv) Accounting Ignores the Effect of Price Level Changes  
(v) Accounting may lead to Window Dressing  
(Explain the four points)

28.

Petty Cash Book

4

Receipts	Date		Particulars	Payments	Conv	Cart	Stat	Post	Sundr
16,000	2022 1/1	1	To Cash a/c						
(½)	2/1	1	By Conv. a/c	100	100				
	2/1	2	By Cart. a/c	500		500			
	3/1	3	By Post a/c	1,000				1,000	
	4/1	4	By Stat a/c	800			800		
	4/1	5	By Conv a/c	400	400				
	5/1	6	By Cart a/c	800		800			
	6/1	7	By Post a/c	1,400				1,400	
	6/1	8	By Conv a/c	600	300				
	6/1	9	By Refreshment	1,000					500
				6,600	<u>1,100</u>	<u>1,300</u>	<u>800</u>	<u>2,400</u>	<u>1,000</u>
	6/1		By Bal. c/d	(½) 9,400					
<b>16,000</b>				<b>16,000</b>					
9,400	7/1		To bal. b/d						
6,600	7/1		To Cash a/c						

(½) (½) (½) (½) (½) (½)

29.

Heads of Accounts	LF	Dr. Bal. ₹	Cr. Bal. ₹
Capital A/c			2,00,000
Debtors A/c		30,000	
Fixed Assets A/c		1,92,000	
Sales A/c			1,10,000
Returns Outward A/c			1,000
Bills Payable A/c			8,000
Bank Overdraft A/c			11,000
Opening Stock A/c		15,000	
Creditors A/c			30,000
Purchases A/c		70,000	
Returns Inward A/c		2,000	
Wages and Salaries A/c		30,000	
Bills Receivables A/c		15,000	
Rent A/c		6,000	
<b>Total</b>		<b>3,60,000</b>	<b>3,60,000</b>

4

Each entry is 1/4 mark + Total is 1/2 mark)

30.

Trans.	Assets					=	Liabilities			+ Capital
	Cash	Bank	Mach	Stock	Acc. Int.	Loan SBI	Cred.	Adv. Com	Capt.	
Started bus.	100000	400000							500000	
Mach.		-200000	1200000			1000000				
<b>New Eq</b>	<b>100000</b>	<b>200000</b>	<b>1200000</b>	-	-	<b>1000000</b>	-	-	<b>500000</b>	
Paid Int.		-120000				100000			20000	
<b>New Eq</b>	<b>100000</b>	<b>80000</b>	<b>1200000</b>	-	-	<b>900000</b>	-	-	<b>480000</b>	
Purchase goods				100000			100000			
<b>New Eq</b>	<b>100000</b>	<b>80000</b>	<b>1200000</b>	<b>100000</b>	-	<b>900000</b>	<b>100000</b>	-	<b>480000</b>	
Sold goods	50000			-40000					10000	

6

½  
½  
1  
1  
1

<b>New Eq</b>	<b>150000</b>	<b>80000</b>	<b>1200000</b>	<b>60000</b>	<b>-</b>	<b>900000</b>	<b>100000</b>	<b>-</b>	<b>490000</b>		½
Acc int					5000				5000		½
Adv Com	20000							20000			1 Fin. Eq
<b>Final Eq</b>	<b>170000</b>	<b>80000</b>	<b>1200000</b>	<b>60000</b>	<b>5000</b>	<b>900000</b>	<b>100000</b>	<b>20000</b>	<b>495000</b>		
	+	+	+	+	=	+	+	+			

31. (a) Cash Basis – Transactions are recorded in the books of account on cash being received or paid. (1 mark)  
 Accrual Basis - Transactions are recorded in the books of account when entered, whether cash is received/ paid or not. (1 mark)

(b) Differences between Cash Basis and Accrual Basis of Accounting.

Basis	Accrual Basis of Accounting	Cash Basis of Accounting
Nature of Transactions	Both Cash & Credit transactions are recorded	Cash transactions are recorded
Technical Knowledge	Requires technical knowledge	Does not require much of technical knowledge
Profit/Loss	Correct profit or Loss is ascertained	Correct profit or Loss is not ascertained
Legal Position	Recognised by the Companies Act, 2013	Not recognized by the Companies Act, 2013

Differences can be given on the following basis also - Prepaid/ Outstanding Expenses, Accrued Income/ Income received in advance; Acceptability; Reliability; Suitability (1 mark \* 4 = 4 marks)

OR

(a) Internal User – They have access to information that can be taken from the accounting records. (1 mark)  
 External Users - They do not have access to records and have to base their decisions on financial statements. (1 mark)

(b) (i) Owners – Interested to know the profit earned or loss incurred by the business besides safety of their capital.  
 (ii) Management – Need this information to arrive at informed decisions such as determination of selling price, cost controls and reduction, investment into new projects.  
 (iii) Banks and Financial Institutions – To know of the progress of the business to ensure safety and recovery of the loan advanced and payment of interest.  
 (iv) Government and its Authorities – To compile national income accounts and other information. It enables it to take policy decisions. (1 mark \* 4 = 4 marks)

32. Journal

Date	Particulars	L.F	Dr. ₹	Cr. ₹
(i)	Prepaid Rent A/c Dr. To Rent A/c (Rent paid in advance)		20,000	20,000
(ii)	Furniture A/c Dr. To Purchases A/c (Goods used to make furniture)		15,000	15,000
(iii)	Depreciation A/c Dr. To Machine A/c (Depreciation provided)		10,000	10,000
(iv)	Capital A/c Dr.		6,000	

		To Interest on Drawings A/c (Interest charged on drawings)							6,000		
	(v)	Loss due to Fire A/c To Purchases A/c (Goods destroyed by fire)	Dr.					40,000		40,000	
	(vi)	Building A/c To Bank A/c (Materials used for building)	Dr.					3,50,000		3,50,000	
OR											
		Date	Particulars	L.F		Dr. ₹			Cr. ₹		
	(i)	Cash A/c Bad Debt A/c To Samar (Cash received 60 p in a rupee...)	Dr. Dr.			30,000 20,000			50,000		
	(ii)	Drawings A/c To Purchases A/c (Goods taken for personal use)	Dr.			15,000			15,000		
	(iii)	Drawings A/c To Bank A/c (Income Tax paid)	Dr.			25,000			25,000		
	(iv)	Machinery A/c To Cash A/c (Paid for installation of machinery)	Dr.			10,000			10,000		
	(v)	Loss of Stock by Fire A/c To Purchases A/c (Goods destroyed by fire)	Dr.			30,000			30,000		
	(vi)	Sales Promotion A/c To Purchases A/c (Goods distributed as sample)	Dr.			35,000			35,000		
33.	In the Books of Titir Two Column Cash Book										6
	Dr.							Cr.			
		Dt	Particulars	L F	Cash	Bank	Dt	Particulars	L F	Cash	Bank
		2021					2021				
		1/4	To Bal. b/d		1,200		1/4	By Bal. b/d			15,000
		3/4	To Capt. A/c		4,000	16,000	4/4	By Purchases A/c			2,800
		16/4	To Bad Debts Recovered		1,000		11/4	By Tej Printers		680	
		17/4	To Manohar		200		30/4	By Bank A/c	c	4,420	
		20/4	To Furniture		700		30/4	By Bal. c/d		2,000	2,620
		30/4	To Cash A/c	c		4,420					
					7,100	20,420				7,100	20,420
		1/5	To Bal. b/d		2,000	2,620					
		(For every two posting 1 mark; contra entry ½)									
34.	Purchases Book										6
		Date	Particulars			Details ₹		Amount ₹			
		2022									
		Jan1	Maheep, Delhi Readymade Clothes			40,000					
			Less: Trade Discount @ 10%			4,000					
						<b>36,000</b>	(1)	36,000			
		(2.5 m + 3.5 m)									

Jan 7	Shyam Singh, Delhi Readymade clothes (Men)			<b>30,000</b>	(1) 30,000
Jan 31	Purchases A/c	Dr.			(1/2) <b><u>66,000</u></b>

Sales Book

Date	Particulars			Details ₹	Amount ₹
2022					
Jan 5	Manav, Amritsar Readymade Clothes Less: Trade Discount @ 10%			10,000 1,000 <b>9,000</b>	(1) 9,000
Jan 8	Harpreet, Amritsar Readymade Clothes (Men)			<b>12,000</b>	(1) 12,000
Jan 19	Manav, Amritsar Readymade Clothes Less: Trade Discount @ 10%			6,000 600 <b>5,400</b>	(1) 5,400
Jan 31	Sales A/c	Cr.			(1/2) <b><u>26,400</u></b>

SET

B

**INDIAN SCHOOL MUSCAT  
HALF YEARLY EXAMINATION 2022  
ACCOUNTANCY (055)**

CLASS: XI

Max.Marks: 80

**MARKING SCHEME**

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21.	<p>(i) Historical Cost Concept - According to the Cost Concept, an asset is recorded in the books of accounts at the price paid to acquire it and the cost is the basis for all subsequent accounting of the asset.</p> <p>(ii) Accrual Concept - According to the Accrual Assumption, a transaction is recorded at the time when it takes place and not when the settlement takes place.</p> <p>(iii) Matching Concept - According to the Matching Concept, cost incurred to earn revenue is recognized as expense in the period when related revenue is recognized as earned.</p> <p style="text-align: center;">OR</p> <p>Explain the following:</p> <p>(i) Accounting Entity Concept - According to the Business Entity Principle, business is considered to be separate and distinct from its owners.</p> <p>(ii) Consistency Concept - According to the Consistency Assumption, accounting practices once selected and adopted, should be applied consistently year after year.</p> <p>(iii) Revenue Recognition Concept - According to the Revenue Recognition Concept, revenue is considered to have been realized when a transaction has been entered into and the obligation to receive the amount has been established.</p> <p>(1 mark * 3 = 3 marks)</p>	3																																															
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23.	<p>(a) Amount of capital invested in the business by Raj - ₹ 15,00,000 + ₹ 5,00,000 = 20,00,000 (½ mark)</p> <p>(b) Drawings – Amount withdrawn for personal use; ₹ 30,000 (½ mark + ½ mark)</p> <p>(c) What is the amount invested by Raj in fixed assets - ₹ 2,00,000 + ₹ 35,000 = ₹ 2,35,000 (½ mark)</p> <p>(d) ‘Purchases’ – Buying of goods or raw materials for manufacture of goods. (1 mark)</p> <p style="text-align: center;">OR</p> <p>(i) Differences between Non-Current Assets and Current Assets</p> <table border="1" style="width: 100%;"> <tr> <td>Basis</td> <td>Non-Current Assets</td> <td>Current Assets</td> </tr> <tr> <td>Meaning</td> <td>Assets owned by the entity not meant for resale</td> <td>Assets held for resale or conversion into cash</td> </tr> </table> <p>(ii) Differences between Non-Current Liabilities and Current Liabilities</p> <table border="1" style="width: 100%;"> <tr> <td>Basis</td> <td>Non-Current Liabilities</td> <td>Current Assets Liabilities</td> </tr> <tr> <td>Meaning</td> <td>Liabilities payable after 12 months from the date of Balance Sheet</td> <td>Liabilities payable within 12 months from the date of Balance Sheet</td> </tr> </table>							Basis	Non-Current Assets	Current Assets	Meaning	Assets owned by the entity not meant for resale	Assets held for resale or conversion into cash	Basis	Non-Current Liabilities	Current Assets Liabilities	Meaning	Liabilities payable after 12 months from the date of Balance Sheet	Liabilities payable within 12 months from the date of Balance Sheet	3																																												
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27.	<p>Limitations of Accounting.</p> <p>(i) Accounting is not Fully Exact</p> <p>(ii) Unrealistic Information</p> <p>(iii) Accounting Ignores the Qualitative Elements</p> <p>(iv) Accounting Ignores the Effect of Price Level Changes</p> <p>(v) Accounting may lead to Window Dressing</p> <p>(Explain the four points)</p>							4  (1m * 4 = 4 m)																																																								

OR

Objectives of Accounting.

- (i) Record of financial Transactions and events:
- (ii) Determining Profit or Loss:
- (iii) Determining Financial Position:
- (iv) Accounting assists the management by providing financial information to it
- (v) Communicating
- (vi) Protecting Business Assets

(Explain the four points)

28.

Heads of Accounts	LF	Dr. Bal. ₹	Cr. Bal. ₹
Capital A/c			2,00,000
Debtors A/c		30,000	
Fixed Assets A/c		1,92,000	
Sales A/c			1,10,000
Returns Outward A/c			1,000
Bills Payable A/c			8,000
Bank Overdraft A/c			11,000
Opening Stock A/c		15,000	
Creditors A/c			30,000
Purchases A/c		70,000	
Returns Inward A/c		2,000	
Wages and Salaries A/c		30,000	
Bills Receivables A/c		15,000	
Rent A/c		6,000	
<b>Total</b>		<b>3,60,000</b>	<b>3,60,000</b>

4

Each entry is 1/4 mark + Total is 1/2 mark)

29.

Petty Cash Book

Receipts	Date		Particulars	Payments	Conv	Cart	Stat	Post	Sundr
16,000	2022 1/1	1	To Cash a/c						
(1/2)	2/1	1	By Conv. a/c	100	100				
	2/1	2	By Cart. a/c	500		500			
	3/1	3	By Post a/c	1,000				1,000	
	4/1	4	By Stat a/c	800			800		
	4/1	5	By Conv a/c	400	400				
	5/1	6	By Cart a/c	800		800			
	6/1	7	By Post a/c	1,400				1,400	
	6/1	8	By Conv a/c	600	300				
	6/1	9	By Refreshment	1,000					500
				6,600	1,100	1,300	800	2,400	1,000
	6/1		By Bal. c/d	(1/2) 9,400					
<b>16,000</b>				<b>16,000</b>					
9,400	7/1		To bal. b/d						
6,600	7/1		To Cash a/c						

4

(1/2) (1/2) (1/2) (1/2) (1/2) (1/2)

30.

Purchases Book

Date	Particulars			Details ₹	Amount ₹
2022 Jan1	Maheep, Delhi Readymade Clothes			40,000	

6

(2.5 m + 3.5 m)

	Less: Trade Discount @ 10%			4,000	
				<b>36,000</b>	(1) 36,000
Jan 7	Shyam Singh, Delhi Readymade clothes (Men)			<b>30,000</b>	(1) 30,000
Jan 31	Purchases A/c	Dr.			(1/2) <b>66,000</b>

**Sales Book**

Date	Particulars			Details ₹	Amount ₹
2022					
Jan 5	Manav, Amritsar Readymade Clothes Less: Trade Discount @ 10%			10,000 1,000 <b>9,000</b>	(1) 9,000
Jan 8	Harpreet, Amritsar Readymade Clothes (Men)			<b>12,000</b>	(1) 12,000
Jan 19	Manav, Amritsar Readymade Clothes Less: Trade Discount @ 10%			6,000 600 <b>5,400</b>	(1) 5,400
Jan 31	Sales A/c	Cr.			(1/2) <b>26,400</b>

31. a) Cash Basis – Transactions are recorded in the books of account on cash being received or paid. (1 mark)

Accrual Basis - Transactions are recorded in the books of account when entered, whether cash is received/ paid or not. (1 mark)

(b) Differences between Cash Basis and Accrual Basis of Accounting.

Basis	Accrual Basis of Accounting	Cash Basis of Accounting
Nature of Transactions	Both Cash & Credit transactions are recorded	Cash transactions are recorded
Technical Knowledge	Requires technical knowledge	Does not require much of technical knowledge
Profit/Loss	Correct profit or Loss is ascertained	Correct profit or Loss is not ascertained
Legal Position	Recognised by the Companies Act, 2013	Not recognized by the Companies Act, 2013

Differences can be given on the following basis also - Prepaid/ Outstanding Expenses, Accrued Income/ Income received in advance; Acceptability; Reliability; Suitability (1 mark \* 4 = 4 marks)

OR

(a) Internal User – They have access to information that can be taken from the accounting records. (1 mark)

External Users - They do not have access to records and have to base their decisions on financial statements. (1 mark)

(b) (i) Owners – Interested to know the profit earned or loss incurred by the business besides safety of their capital.

(ii) Management – Need this information to arrive at informed decisions such as determination of selling price, cost controls and reduction, investment into new projects.

6

(iii) Banks and Financial Institutions – To know of the progress of the business to ensure safety and recovery of the loan advanced and payment of interest.  
 (iv) Government and its Authorities – To compile national income accounts and other information. It enables it to take policy decisions. (1 mark \* 4 = 4 marks)

32.	Trans.	Assets				=	Liabilities			+ Capital	6
		Cash	Bank	Mach	Stock	Acc. Int.	Loan SBI	Cred.	Adv. Com	Capt.	
	Started bus. Mach.	100000	400000							500000	½
			-200000	1200000			1000000				½
	<b>New Eq</b>	<b>100000</b>	<b>200000</b>	<b>1200000</b>	-	-	<b>1000000</b>	-	-	<b>500000</b>	1
	Paid Int.		-120000				100000			20000	1
	<b>New Eq</b>	<b>100000</b>	<b>80000</b>	<b>1200000</b>	-	-	<b>900000</b>	-	-	<b>480000</b>	1
	Purchase goods				100000			100000			1
	<b>New Eq</b>	<b>100000</b>	<b>80000</b>	<b>1200000</b>	<b>100000</b>	-	<b>900000</b>	<b>100000</b>	-	<b>480000</b>	1
	Sold goods	50000			-40000					10000	1
	<b>New Eq</b>	<b>150000</b>	<b>80000</b>	<b>1200000</b>	<b>60000</b>	-	<b>900000</b>	<b>100000</b>	-	<b>490000</b>	½
	Acc int Adv Com					5000				5000	½
		20000						20000			½
	<b>Final Eq</b>	<b>170000</b>	<b>80000</b>	<b>1200000</b>	<b>60000</b>	<b>5000</b>	<b>900000</b>	<b>100000</b>	<b>20000</b>	<b>495000</b>	1 Fin. Eq
		+	+	+	+	=	+	+	+		

33.	Journal					6
Date	Particulars	L.F	Dr. ₹	Cr. ₹		
(i)	Prepaid Rent A/c Dr. To Rent A/c (Rent paid in advance)		20,000	20,000		(1 m * 6 = 6 m)
(ii)	Furniture A/c Dr. To Purchases A/c (Goods used to make furniture)		15,000	15,000		
(iii)	Depreciation A/c Dr. To Machine A/c (Depreciation provided)		10,000	10,000		
(iv)	Capital A/c Dr. To Interest on Drawings A/c (Interest charged on drawings)		6,000	6,000		
(v)	Loss due to Fire A/c Dr. To Purchases A/c (Goods destroyed by fire)		40,000	40,000		
(vi)	Building A/c Dr. To Bank A/c (Materials used for building)		3,50,000	3,50,000		
OR						
Date	Particulars	L.F	Dr. ₹	Cr. ₹		
(i)	Cash A/c Dr. Bad Debt A/c Dr. To Samar (Cash received 60 p in a rupee...)		30,000 20,000	50,000		

(ii)	Drawings A/c To Purchases A/c (Goods taken for personal use)	Dr.		15,000	15,000
(iii)	Drawings A/c To Bank A/c (Income Tax paid)	Dr.		25,000	25,000
(iv)	Machinery A/c To Cash A/c (Paid for installation of machinery)	Dr.		10,000	10,000
(v)	Loss of Stock by Fire A/c To Purchases A/c (Goods destroyed by fire)	Dr.		30,000	30,000
(vi)	Sales Promotion A/c To Purchases A/c (Goods distributed as sample)	Dr.		35,000	35,000

34.	In the Books of Titir										6
	Dr.					Cr.					
Two Column Cash Book											
Dt	Particulars	L F	Cash	Bank	Dt	Particulars	L F	Cash	Bank		
2021					2021						
1/4	To Bal. b/d		1,200		1/4	By Bal. b/d			15,000		
3/4	To Capt. A/c		4,000	16,000	4/4	By Purchases A/c			2,800		
16/4	To Bad Debts Recovered		1,000		11/4	By Tej Printers		680			
17/4	To Manohar		200		30/4	By Bank A/c	c	4,420			
20/4	To Furniture		700		30/4	By Bal. c/d		2,000	2,620		
30/4	To Cash A/c	c		4,420							
			<u>7,100</u>	<u>20,420</u>				<u>7,100</u>	<u>20,420</u>		
1/5	To Bal. b/d		2,000	2,620							

(For every two posting 1 mark; contra entry ½)

SET

C

INDIAN SCHOOL MUSCAT  
HALF YEARLY EXAMINATION 2022  
ACCOUNTANCY (055)

CLASS: XI

Max.Marks: 80

MARKING SCHEME

QN. NO	VALUE POINTS	MARKS SPLIT UP
1.	(c) Creditworthiness of the business OR (c) Materiality	1
2.	(d) Accounting Period Principle OR (d) Only (ii) and (iii)	1
3.	(c) Assertion (A) is false, but Reason (R) is true	1
4.	(d) Decrease in one asset, increase in another asset	1
5.	(b) ₹ 1,00,000	1
6.	(c) Proprietor withdrew ₹12,000 from his personal account to pay the school fees of his son OR (c) Items purchased for resale	1
7.	(d) Commission (Received) OR (c) Liability Account	1
8.	(b) ₹ 40,000 OR (a) Rebate Allowed A/c Dr. To Purchaser A/c	1
9.	(c) (i), (ii), (iii) and (iv)	1
10.	(d) Debtor, Creditor	1
11.	(a) Dr. side of Discount A/c	1
12.	(d) ₹ 8,000 on Cr. side	1
13.	(d) ₹ 4,450	1
14.	(b) Input CGST Account and Input SGST Account OR	1

	(a) It is a destination based tax																																																									
15.	(c) Cash Book	1																																																								
16.	(a) ₹ 25,632	1																																																								
17.	(d) It records both cash and credit transactions. OR (b) Debit of Cash column and Credit of Bank column	1																																																								
18.	(a) Prepaid Insurance Premium	1																																																								
19.	(a) Drawings A/c Dr. 10,000 To Purchases A/c 10,000	1																																																								
20.	(b) ₹ 18,000, ₹ 7,000	1																																																								
21.	<p>Explain the following:</p> <p>(i) Conservatism Concept - The Conservatism Principle is many a times described using the phrase "Do not anticipate a profit, but provide for all possible losses."</p> <p>(ii) Verifiable Objective Concept -</p> <p>(iii) Materiality Concept - According to the American Accounting Association, "an item should be regarded as material if there is a reason to believe that the knowledge of it would influence the decision of an informed investor."</p> <p style="text-align: center;">OR</p> <p>Explain the following:</p> <p>(i) Full Disclosure Principle - According to the Principle of Full Disclosure, "there should be complete and understandable reporting on the financial statements of all significant information relating to the economic affairs of the entity."</p> <p>(ii) Accounting Period Concept - According to the Accounting Period Principle, the life of an enterprise is broken into smaller periods so that its performance is measured at regular intervals.</p> <p>(iii) Going Concern Assumption - According to the Going Concern Concept it is assumed that business shall continue for a foreseeable period and there is no intention to close the business or scale down its operations significantly.</p> <p>(1 mark * 3 = 3 marks)</p>	3																																																								
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	(ii)	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c To Discount Received A/c (Being goods purchased)		90,000 7,938 7,938		1,04,076 1,800																						
24.	<p>Closing Capital = Closing Assets – Closing External Liabilities = ₹ 3,00,000 - ₹ 9,000 = ₹ 2,91,000</p> <p>Opening Capital = Closing Capital + Drawings – Additional Capital – Profits = ₹ 2,91,000 + ₹ 18,000 - ₹ 30,000 - ₹ 30,000 = ₹ 2,49,000 (1m + 1m) + (0.5 * 2 for formulae)</p>						3																					
25.	<p>(a) Amount of capital invested in the business by Raj - ₹ 15,00,000 + ₹ 5,00,000 = 20,00,000 (½ mark)</p> <p>(b) Drawings – Amount withdrawn for personal use; ₹ 30,000 (½ mark + ½ mark)</p> <p>(c) What is the amount invested by Raj in fixed assets - ₹ 2,00,000 + ₹ 35,000 = ₹ 2,35,000 (½ mark)</p> <p>(d) ‘Purchases’ – Buying of goods or raw materials for manufacture of goods. (1 mark)</p> <p style="text-align: center;">OR</p> <p>(i) Differences between Non-Current Assets and Current Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Basis</th> <th style="width: 40%;">Non-Current Assets</th> <th style="width: 40%;">Current Assets</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>Assets owned by the entity not meant for resale</td> <td>Assets held for resale or conversion into cash</td> </tr> </tbody> </table> <p>(ii) Differences between Non-Current Liabilities and Current Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Basis</th> <th style="width: 40%;">Non-Current Liabilities</th> <th style="width: 40%;">Current Assets Liabilities</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>Liabilities payable after 12 months from the date of Balance Sheet</td> <td>Liabilities payable within 12 months from the date of Balance Sheet</td> </tr> </tbody> </table>						Basis	Non-Current Assets	Current Assets	Meaning	Assets owned by the entity not meant for resale	Assets held for resale or conversion into cash	Basis	Non-Current Liabilities	Current Assets Liabilities	Meaning	Liabilities payable after 12 months from the date of Balance Sheet	Liabilities payable within 12 months from the date of Balance Sheet	3									
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27.	<p>Objectives of Accounting</p> <p>(i) Record of financial Transactions and events: (ii) Determining Profit or Loss: (iii) Determining Financial Position: (iv) Accounting assists the management by providing financial information to it (v) Communicating (vi) Protecting Business Assets (Explain the four points)</p> <p style="text-align: center;">OR</p> <p>Discuss any four Advantages of Accounting.</p>						4																					

	(i) Financial Information about Business (ii) Assistance to Management (iii) Replaces Memory (iv) Facilitates Comparative Studies (v) Facilitates Settlement of Tax Liabilities (Explain the four points)	
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28.	Petty Cash Book								4	
	Receipts	Date		Particulars	Payments	Conv	Cart	Stat	Post	Sundr
	16,000	2022 1/1	1	To Cash a/c						
	(1/2)	2/1	1	By Conv. a/c	100	100				
		2/1	2	By Cart. a/c	500		500			
		3/1	3	By Post a/c	1,000				1,000	
		4/1	4	By Stat a/c	800			800		
		4/1	5	By Conv a/c	400	400				
		5/1	6	By Cart a/c	800		800			
		6/1	7	By Post a/c	1,400				1,400	
		6/1	8	By Conv a/c	600	300				
		6/1	9	By Refreshment	1,000					500
					6,600	1,100	1,300	800	2,400	1,000
		6/1		By Bal. c/d	(1/2) 9,400					
	<b>16,000</b>				<b>16,000</b>					
	9,400	7/1		To bal. b/d						
	6,600	7/1		To Cash a/c						
				(1/2)	(1/2)	(1/2)	(1/2)	(1/2)	(1/2)	

29.	<table border="1"> <thead> <tr> <th>Heads of Accounts</th> <th>LF</th> <th>Dr. Bal. ₹</th> <th>Cr. Bal. ₹</th> </tr> </thead> <tbody> <tr> <td>Capital A/c</td> <td></td> <td></td> <td>2,00,000</td> </tr> <tr> <td>Debtors A/c</td> <td></td> <td>30,000</td> <td></td> </tr> <tr> <td>Fixed Assets A/c</td> <td></td> <td>1,92,000</td> <td></td> </tr> <tr> <td>Sales A/c</td> <td></td> <td></td> <td>1,10,000</td> </tr> <tr> <td>Returns Outward A/c</td> <td></td> <td></td> <td>1,000</td> </tr> <tr> <td>Bills Payable A/c</td> <td></td> <td></td> <td>8,000</td> </tr> <tr> <td>Bank Overdraft A/c</td> <td></td> <td></td> <td>11,000</td> </tr> <tr> <td>Opening Stock A/c</td> <td></td> <td>15,000</td> <td></td> </tr> <tr> <td>Creditors A/c</td> <td></td> <td></td> <td>30,000</td> </tr> <tr> <td>Purchases A/c</td> <td></td> <td>70,000</td> <td></td> </tr> <tr> <td>Returns Inward A/c</td> <td></td> <td>2,000</td> <td></td> </tr> <tr> <td>Wages and Salaries A/c</td> <td></td> <td>30,000</td> <td></td> </tr> <tr> <td>Bills Receivables A/c</td> <td></td> <td>15,000</td> <td></td> </tr> <tr> <td>Rent A/c</td> <td></td> <td>6,000</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>3,60,000</b></td> <td><b>3,60,000</b></td> </tr> </tbody> </table>	Heads of Accounts	LF	Dr. Bal. ₹	Cr. Bal. ₹	Capital A/c			2,00,000	Debtors A/c		30,000		Fixed Assets A/c		1,92,000		Sales A/c			1,10,000	Returns Outward A/c			1,000	Bills Payable A/c			8,000	Bank Overdraft A/c			11,000	Opening Stock A/c		15,000		Creditors A/c			30,000	Purchases A/c		70,000		Returns Inward A/c		2,000		Wages and Salaries A/c		30,000		Bills Receivables A/c		15,000		Rent A/c		6,000		<b>Total</b>		<b>3,60,000</b>	<b>3,60,000</b>	4
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		Each entry is 1/4 mark + Total is 1/2 mark)																																																																

30.	In the Books of Titir										6
	Dr.					Cr.					
	Two Column Cash Book										
	Dt	Particulars	L F	Cash	Bank	Dt	Particulars	L F	Cash	Bank	
	2021 1/4	To Bal. b/d		1,200		2021 1/4	By Bal. b/d			15,000	
	3/4	To Capt. A/c		4,000	16,000	4/4	By Purchases A/c			2,800	
	16/4	To Bad Debts Recovered		1,000		11/4	By Tej Printers		680		
	17/4	To Manohar		200		30/4	By Bank A/c	c	4,420		
	20/4	To Furniture		700		30/4	By Bal. c/d		2,000	2,620	

30/4	To Cash A/c	c		4,420					
			<u>7,100</u>	<u>20,420</u>				<u>7,100</u>	<u>20,420</u>
1/5	To Bal. b/d		2,000	2,620					

(For every two posting 1 mark; contra entry ½)

31.	<b>Purchases Book</b>						6 (2.5 m + 3.5 m)
	Date	Particulars			Details ₹	Amount ₹	
	2022 Jan 1	Maheep, Delhi Readymade Clothes Less: Trade Discount @ 10%			40,000 4,000 <b>36,000</b>	(1) 36,000	
	Jan 7	Shyam Singh, Delhi Readymade clothes (Men)			<b>30,000</b>	(1) 30,000	
	Jan 31	Purchases A/c	Dr.			(1/2) <b>66,000</b>	
	<b>Sales Book</b>						
	Date	Particulars			Details ₹	Amount ₹	
	2022 Jan 5	Manav, Amritsar Readymade Clothes Less: Trade Discount @ 10%			10,000 1,000 <b>9,000</b>	(1) 9,000	
	Jan 8	Harpreet, Amritsar Readymade Clothes (Men)			<b>12,000</b>	(1) 12,000	
	Jan 19	Manav, Amritsar Readymade Clothes Less: Trade Discount @ 10%			6,000 600 <b>5,400</b>	(1) 5,400	
Jan 31	Sales A/c	Cr.			(1/2) <b>26,400</b>		

32.	(a) Cash Basis – Transactions are recorded in the books of account on cash being received or paid. (1 mark)		6	
	Accrual Basis - Transactions are recorded in the books of account when entered, whether cash is received/ paid or not. (1 mark)			
	(b) Differences between Cash Basis and Accrual Basis of Accounting.			
	Basis	Accrual Basis of Accounting		Cash Basis of Accounting
	Nature of Transactions	Both Cash & Credit transactions are recorded		Cash transactions are recorded
Technical Knowledge	Requires technical knowledge	Does not require much of technical knowledge		
Profit/Loss	Correct profit or Loss is ascertained	Correct profit or Loss is not ascertained		
Legal Position	Recognised by the Companies Act, 2013	Not recognized by the Companies Act, 2013		
Differences can be given on the following basis also - Prepaid/ Outstanding Expenses, Accrued Income/ Income received in advance; Acceptability; Reliability; Suitability (1 mark * 4 = 4 marks)				
OR				

(a) Internal User – They have access to information that can be taken from the accounting records. (1 mark)  
 External Users - They do not have access to records and have to base their decisions on financial statements. (1 mark)

(b) (i) Owners – Interested to know the profit earned or loss incurred by the business besides safety of their capital.  
 (ii) Management – Need this information to arrive at informed decisions such as determination of selling price, cost controls and reduction, investment into new projects.  
 (iii) Banks and Financial Institutions – To know of the progress of the business to ensure safety and recovery of the loan advanced and payment of interest.  
 (iv) Government and its Authorities – To compile national income accounts and other information. It enables it to take policy decisions. (1 mark \* 4 = 4 marks)

33.	Trans.	Assets				=	Liabilities			+ Capital	6
		Cash	Bank	Mach	Stock	Acc. Int.	Loan SBI	Cred.	Adv. Com	Capt.	
	Started bus. Mach.	100000	400000							500000	½
			-200000	1200000			1000000				½
	<b>New Eq</b>	<b>100000</b>	<b>200000</b>	<b>1200000</b>	-	-	<b>1000000</b>	-	-	<b>500000</b>	1
	Paid Int.		-120000				100000			20000	1
	<b>New Eq</b>	<b>100000</b>	<b>80000</b>	<b>1200000</b>	-	-	<b>900000</b>	-	-	<b>480000</b>	1
	Purchase goods				100000			100000			1
	<b>New Eq</b>	<b>100000</b>	<b>80000</b>	<b>1200000</b>	<b>100000</b>	-	<b>900000</b>	<b>100000</b>	-	<b>480000</b>	1
	Sold goods	50000			-40000					10000	1
	<b>New Eq</b>	<b>150000</b>	<b>80000</b>	<b>1200000</b>	<b>60000</b>	-	<b>900000</b>	<b>100000</b>	-	<b>490000</b>	½
	Acc int Adv Com					5000				5000	½
		20000							20000		½
	<b>Final Eq</b>	<b>170000</b>	<b>80000</b>	<b>1200000</b>	<b>60000</b>	<b>5000</b>	<b>900000</b>	<b>100000</b>	<b>20000</b>	<b>495000</b>	1 Fin. Eq
		+	+	+	+	=	+	+	+		

34.	Journal					6
Date	Particulars	L.F	Dr. ₹	Cr. ₹		
(i)	Prepaid Rent A/c Dr. To Rent A/c (Rent paid in advance)		20,000	20,000		(1m * 6= 6m)
(ii)	Furniture A/c Dr. To Purchases A/c (Goods used to make furniture)		15,000	15,000		
(iii)	Depreciation A/c Dr. To Machine A/c (Depreciation provided)		10,000	10,000		
(iv)	Capital A/c Dr. To Interest on Drawings A/c (Interest charged on drawings)		6,000	6,000		
(v)	Loss due to Fire A/c Dr. To Purchases A/c (Goods destroyed by fire)		40,000	40,000		
(vi)	Building A/c Dr.		3,50,000			

	To Bank A/c (Materials used for building)			3,50,000	
OR					
Date	Particulars	L.F	Dr. ₹	Cr. ₹	
(i)	Cash A/c Dr. Bad Debt A/c Dr. To Samar (Cash received 60 p in a rupee...)		30,000 20,000	50,000	
(ii)	Drawings A/c Dr. To Purchases A/c (Goods taken for personal use)		15,000	15,000	
(iii)	Drawings A/c Dr. To Bank A/c (Income Tax paid)		25,000	25,000	
(iv)	Machinery A/c Dr. To Cash A/c (Paid for installation of machinery)		10,000	10,000	
(v)	Loss of Stock by Fire A/c Dr. To Purchases A/c (Goods destroyed by fire)		30,000	30,000	
(vi)	Sales Promotion A/c Dr. To Purchases A/c (Goods distributed as sample)		35,000	35,000	